

# Employment of the Older Worker

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**T**HE PRACTICE of compulsory retirement on pension at a fixed chronological age is a fairly new practice. Its adoption started with the incredibly swift industrialization of the 1900's and the growth of large business units.

The acceptance of pension retirement plans by industry was hailed on all sides as a great advance. Previously, older workers had simply been discharged without provision for their future welfare. The conventional idea had prevailed that workers should save for their old age or become dependent on adult offspring or on charity. Industry's voluntary acknowledgment of a concern for the welfare of its workers beyond their years of service was indeed a step forward.

Now, industry has accustomed itself to the practice of compulsory pensioned retirement at a fixed calendar age. The practice is simple in administration, and, during slack periods especially, it provides an easy, automatic way of casting off a number of surplus workers who are generally on top of the pay scale. In addition, compulsory retirement opens doors for advancement, a custom which business will not easily yield.

## Human Side of Compulsory Retirement

There is growing recognition, however, that the mere provision of bread and shelter for older persons is not enough. No longer are they regarded as a statistical group—a series of figures on a sheet of paper—but they are regarded as individuals whose happiness is of increasing concern.

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“Employment, . . . ‘nature’s physician,’ is so essential to human happiness that indolence is justly considered the mother of misery,” wrote Robert Burton over three centuries ago (1).

Youth can be content with opiate dreams of future achievements. But those approaching 50 or 60 can no longer derive solace from dreams of the future. Age plays for real stakes. It wants something to do, and that something must be real. Useful work is the most real thing we have to sustain us in this life of ours.

Compulsory retirement at a fixed calendar age treats all workers alike. But all workers are not alike. Some have the intellectual resources to occupy themselves without an occupation. Most people, however, are not happy when they are idle. In the words of the physiologist, Dr. A. J. Carlson, “The physiologic age of the worker is not synonymous with his chronologic age, owing to the individual variables in heredity, mode of living, accidents, and sequelae of diseases” (2).

What is popularly called old age is in truth only that period of life during which the rate of decline of cells, tissues, or organs has progressed to the point where the decline is visible to the naked eye. The decline begins at conception, and it is not the same for all human beings nor is it equivalent for all organs and functions of the body. This is well illustrated by the life of Christen Jacobsen Dragenberg, the Dane who died in 1772 at the age of 146. At 13, he went to sea. He took part in the service of three kings warring against Sweden and served many nations in merchant navies. When nearly 70, he was taken prisoner by Algerian pirates and sold as a slave. After 15 years, he escaped and again went to war against Sweden. At 111, he married a 60-year-old woman.

He outlived her and, when he was 130, proposed to several women. He was rejected but mastered his disappointment and lived on for 16 years (3).

Our society has been quite illogical and inconsistent in its attitude toward the older worker.

On the one hand, we have not objected to electing or appointing older persons to positions of greatest responsibility. In the 81st Congress (1st and 2d Sessions, 1949-50), 34 percent of the Senators were over 60, as were almost 19 percent of the Representatives. In a study made in 1946 I found that over 44 percent of 500 top business executives who were listed consecutively in the 1946 edition of "Poor's Register" were over 60. Bernard Baruch, 82 years of age; Arturo Toscanini, 85; Herbert Hoover, 78; General George Marshall, 71; and Ambassador Walter Gifford, 67, have not found their age an obstacle in the path of progress.

On the other hand, we maintain blind and unselective compulsory retirement rules for the rank and file of workers. Such rules automatically eliminate those who have reached the same age regardless of their fitness, ability, and contribution to the group.

### **Economic Side of Compulsory Retirement**

From an economic point of view, it would be sound policy to permit older people to work as long as they are productive and desire to work. Since a country's national wealth, purchasing power, and standard of living rest squarely on productivity, our economic stream flows best when we have the largest number of active producer-consumers. The unemployed contribute nothing to the economy.

In about 30 years, the United States will have more individuals over 45 years of age than the 61 million (4) gainfully employed today. It is conservatively estimated that by 1980 there will be between 160 and 180 million people; 66 million of them will be 45 and over; 24 million will be 65 and over.

If in 1980, for example, we were to employ only one-fifth of the estimated 24 million people over 65, at an average annual salary of \$2,500, they would earn for themselves 12 billion dollars each year. This load of support would be

taken largely off the shoulders of young workers. The more emeritus workers, the greater the burdens will be on those active workers who must support them, either by direct contribution or by taxes, along with their own families.

The argument has been made that older workers should be cleared out to make way for younger ones. This is only another way of saying that there are more workers than jobs. During World War II, no one was afraid that the old or the physically handicapped were taking jobs from younger, more able people. There is no arbitrary age at which the older worker begins to repress the younger. Every older individual high on the ladder of advancement holds a job a younger person feels he can fill. This will be just as true in 1980, when we may be forced to retire people at 45 or 50, if we have failed to find a more logical way of reducing the disparity between jobs and workers.

From another point of view—we are witnessing today a great ground swell of public sentiment in favor of State or Federal old age pensions for those over 65. The figure of \$100 a month is one prominently mentioned objective. By 1980, this could cost the country \$28,800,000,000. When this sum is added to other welfare benefits which have been adopted, or probably will be, we are confronted with an astronomical figure which some statesmen declare we cannot afford.

### **Why Selective Retirement?**

In view of these facts, it is increasingly clear we must overcome the prejudices of present-day employers against hiring older workers and retention of the fit. The fixed formula of retirement must be made more flexible and must be broken down into alternative possibilities:

Continued work for the fully productive.

Job reassignments for those capable of performing other duties.

Down-grading and "tapering off" when necessary or desirable.

A whole new system of fitness testing, job analysis, and selective placement awaits development.

To encourage the cooperation of industry, some economists have suggested a pension tax rebate so that employers will keep workers be-

yond the compulsory retirement age. Henry W. Steinhaus, in a study for the National Industrial Conference Board, considers that an employers' tax incentive is feasible, and, in addition, he proposes an increase in pension benefits for employees for each year their retirement is deferred beyond age 65 (5).

We choose and we select when we hire. Can't we do the same when we retire our workers?

We should devise methods of determining which people are capable at 65 or 70 and which people are not. A man isn't fit one day and unfit the next because a page of the calendar has turned. By the same token, he isn't conservative one day and liberal the next, or cautious one day and reckless the next.

The Armed Forces have successfully handled the problem of selective retirement by retirement board procedures which determine the physical and mental fitness of servicemen and officers in the light of the current needs of the services. Perhaps industry could find in these procedures a sound basic pattern which can be adapted to its own purpose. An infinitesimally small number of industrial organizations have practiced selective retirement with success.

In any circumstances, a social rule which eliminates the fit with the unfit, which destroys the good with the bad, or which punishes the innocent with the wicked is not a good rule. Social progress may be measured, in the last analysis, by the degree of skill and discrimination with which society solves the individual problems of its members.

Bernard Baruch is quoted in the *Washington Daily News* of December 29, 1949, as saying:

"How hideous a mockery it would be if, as a result of advances in medicine, surgery, hygiene, and higher living standards, older people were left willing and able to work but Society deprived them of something to do."

Fortunately, the idea that compulsory retirement on a calendar age basis is wrong is gaining general acceptance. The National Health Assembly on May 4, 1948, unanimously adopted a recommendation to this effect (6).

In his 1948 report to the President on the Nation's health, the Federal Security Administrator states:

"Efforts should be directed toward accomplishing selective retirement based on individual capacity rather than age . . . Both public and private employers would profit equally with employees from working out techniques for gradually relieving individuals of more taxing responsibilities as they develop the limitations of advancing age, by keeping pay commensurate with productivity and by full use of the possibilities of vocational retraining" (7).

But ideas are sterile unless we act on them.

#### REFERENCES

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